

Message Text

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ACTION EUR-25

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C O N F I D E N T I A L MOSCOW 0796

E.O. 11652: GDS, 12-31-80

REF: MOSCOW 688

1. FURTHER TO REPORT REFTEL OF SOVIET ANNOYANCE OVER DELAYS IN PROCESSING EXPORT LICENSE APPLICATIONS FOR US COMPUTERS SOLD TO USSR, VISITING HEWLETT-PACKARD (H-P) REPS ADVISED EMBOFFS JANUARY 16 THAT FOR FIRST TIME IN COMPANY'S EXPERIENCE, SOVIET PURCHASER (ELEKTRONORGTEKHNIKA) HAD INVOKED PENALTY CLAUSE FOR DELIVERY DELAYS RESULTING FROM EXPORT LICENSE PROBLEMS. COMPUTERS IN QUESTION ARE FIVE SYSTEMS VALUED AT US\$800,000 SOLD IN JULY/AUGUST 1973 FOR WHICH DELIVERY WAS PROMISED DURING 1973. PENALTIES AMOUNT TO 10 PERCENT OF FACE VALUE OF CONTRACT, I.E. US80,000, WHICH WILL APPARENTLY PUT A CRIMP IN H-P'S 1974 USSR TRADE PROMOTION BUDGET.

2. H-P REPS ALSO RAISED SUBJECT OF CURRENT CIEP STUDY OF CONTROLS ON COMPUTER EXPORTS TO USSR. THEY EXPRESSED UNDERSTANDING THAT STUDY RECOMMENDED TIGHTER CONTROLS, AND THEY MAINTAINED THAT UNDER PARAMETERS RECOMMENDED IN STUDY H-P WOULD BE UNABLE SELL SYSTEMS TO USSR WHICH WOULD PREVIOUSLY HAVE BEEN LICENSED. (COMMENT: EMBASSY WOULD WELCOME ANY AVAILABLE INFORMATION ON CIEP STUDY. END COMMENT.DUBS

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Message Attributes

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